Calendar No. 595

97TH CONGRESS
2d Session

SENATE

REPORT
No. 97-415

PROVIDING FOR THE LEASING OF FORMER OIL PLACER CLAIMS IN HOT SPRINGS COUNTY, WYO.

MAY 25, 1982.—Ordered to be printed

Mr. MCCLURE, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany S. 1660]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 1660), to validate certain oil placer mining claims in Hot Springs County, Wyo., having considered the same, reports favorably thereon with an amendment to the text and an amendment to the title and recommends that the bill as amended do pass.

The amendments are as follows:

1. Strike out all after the enacting clause and insert in lieu thereof the following:

That (a) notwithstanding any other provision of law, the Secretary of the Interior shall, within thirty days of receipt of an application by Petro-Lewis Corporation on behalf of Partnership Properties Co., issue to Patnership Properties, Co., a noncompetitive oil and gas lease (hereinafter referred to in this Act as the "lease") for the following described lands: west half of section 31, township 43 north, range 93 west, sixth principal meridian, Hot Springs County, Wyoming.

(b) The lease shall be—

(1) dated and effective October 22, 1979; and

(2) subject to a royalty on the production removed or sold from the leased land subsequent to October 22, 1979, in the amount of not less than 12½ percent of all oil production.

(c) The royalty provided in the lease shall not be less than 12½ percent of the amount or value of the gas and liquid products produced for—

(1) gas including inflammable gas, helium, carbon dioxide, and all other natural gases or any mixture thereof; and

(2) natural or casinghead gasoline and other liquid production obtained from gas.

(d) No application filed pursuant to this Act shall be accepted by the Secretary of the Interior, nor shall any lease be issued, unless such application is made in accordance with the provisions of this Act within thirty days after the date of enactment of this Act.

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(e) Except as otherwise provided in this Act, the lease shall be treated as a noncompetitive oil and gas lease issued pursuant to section 17(c) of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas aid sodium on the public domain.", approved February 25, 1920, as amended (30 U.S.C. 226(c)). The provisions of section 17(d) (30 U.S.C. 226(d)) and section 39 (30 U.S.C. 209) of such Act, as shall be applicable to the lease.

(f) Neither Petro-Lewis Corporation nor Partnership Properties Co. sha'l be deemed to have been in trespass nor to have abandoned such interests as they might otherwise have had as a result of any past activities or omissions in relation to the heretofore described lands, and such interests in the oil placer claims on the subject lands shall be deemed valid until October 22 1979,,which shall be the effective date of the lease. No payments shall be required for any period prior to the effective date of the lease, nor shall the lease require the drilling of wells in addition to those wells now located on the described lands. The lease shall be deemed held by production from the effective date of the lease because of producing wells located on the lands covered by said lease. The lease will be subject to the East Warm Springs Unit Agreement as approved by the State of Wyoming Board of Land Commissioners on November 6, 1975, which approval and agreement was recorded in Book 2 of MF, pages 307–333 of the records of Hot Springs County, Wyoming, or such amended agreement as may hereafter be approved by said Board.

(g) The lease shall be issued by the Secretary within 60 days from the date of application.

2. Amend the title to read as follows:

To lease former oil placer mining claims in Hot Springs County, Wyoming.

PURPOSE

The purpose of S. 1660 is to provide for the leasing of lands formerly subject to two United States unpatented oil placer mining claims known as East End Nos. 3 and 4 situated within an area covering the W of Section 31, Township 43N, Range 93W, 6th Principal Meridian, Hot Springs County, Wyoming.

BACKGROUND AND NEED

This bill would give Petro-Lewis 30 days from the date of enactment to apply for a noncompetitive oil and gas lease on lands described as the W half of section 31, township 43 north, range 93 west, sixth principal meridian, Hot Springs County, Wyoming.

The lands were formerly subject to two oil placer mining claims. Petro-Lewis is the designated operator of the oil placer mining claims of concern. Record title to the claims is held by Partnership Properties Co,, a Colorado general partnership. Petro-Lewis will make the required lease applications as operator of the oil placer mining claims on behalf of Partnership Properties Co.

A placer claim has been defined as "ground with defined boundaries which contains minerals in the earth, sand or gravel; ground that includes valuable deposits not fixed in the rock." [1]

Acquisition of mining claims on Government land is a right granted by the United States Mining Law of 1872 (30 U.S.C. 22 et seq.). The Mining Law of 1872 sets forth the procedure by which minerals on Government lands can be acquired and developed. Oil placer mining claims arose under the 1872 Mining Law.

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[1] Pg. 829. "A Dictionary of Mining, Mineral, and Related Terms," U.S. Bureau of Mines, U.S. Department of the Interior, (1968).

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An oil placer mining claim conveyed a right to develop an oil resource located on Federal lands. This right was established upon location of the claim on the ground, recording of the claim with a local land office and demonstration of a commercial deposit of oil within the claim boundaries plus evidence of annual assessment work or notice of intent to hold the claim.

This bill concerns two oil placer mining claims, East End Claims 3 and 4, Hot Springs County, Wyoming, which were located on June 29, 1917. Drilling operations commenced in 1917, and in 1918 oil was discovered within the limits of each claim.

On February 25, 1920, the Mineral Lands Leasing Act of 1920 (30 U.S.C. 181 et seq.) withdrew oil and gas and several other minerals from the system of claims and location established in the General Mining Law of 1872, and thereafter made oil and gas subject to disposition only by lease.

However, section 37 of the Mineral Lands Leasing Act (30 U.S.C. 193) excepted from its coverage valid unpatented oil placer claims in existence on February 25, 1920, and thereafter maintained in compliance with the General Mining Law of 1872. Since East End Nos. 3 and 4 oil placer mining claims met these requirements they were excluded from the provisions of the Mineral Lands Leasing Act and remained valid oil placer mining claims.

On November 10, 1924, the Department of the Interior recognized East Warm Springs as a known geological structure which included parts of East End Claims Nos. 3 and 4. At that time, the field contained several producing wells and was owned by the Atlantic Pacific Oil Company of Wyoming.

In 1937, the Empire State Company acquired the field from Atlantic Pacific. Empire State drilled several additional wells and plugged others, operating the field until 1970, when it sold its interest to Ashland Exploration, Inc.

On July 3, 1975, Ashland entered into a unit agreement approved by the State of Wyoming.

Congress, on October 21, 1976 enacted the Federal Land Policy and Management Act of 1976 ("FLPMA" 43 U.S.C. 1701 et seq.) which preserved with certain modifications, the rights of those holding claims under the General Mining Law of 1872.

However, FLPMA, in order to invalidate stale mining claims that were not being worked, and to establish Federal records of the active mining claims, required an unpatented mining claimant to file certain information with the appropriate local and State offices of the Bureau of Land Management (43 U.S.C. § 1744).

For placer claims located prior to October 21, 1976, such as East End Claims 3 and 4, FLPMA and the regulations implementing the Act required recordation plus evidence of annual assessment work or notice of intent to hold the claim. Recordation for all unpatented mining claims was to be completed on or before October 22, 1979, and the evidence of annual assessment work or the notice of intent to hold the claim were required to be filed on or before October 22, 1979, or on or before December 30 of each calendar year following the calendar year of such recording, whichever date is sooner (43 C.F.R. § 3338.2–1).

Neither Petro-Lewis nor its predecessors in interest filed a copy of the official record of the certificate of location for East End Nos. 3 and 4 oil placer mining claims with the BLM on or before October 22, 1979 as required by FLPMA (43 U.S.C. 1744(b)).

Accordingly, in a March 18, 1981 decision, the Wyoming State Land office of the BLM determined that East End Nos. 3 and 4 oil placer mining claims were deemed abandoned and void for failure to comply with FLPMA's filing and recordation requirements (43 U.S.C. 1744(b), 43 C.F.R. § 3833). On appeal by Petro-Lewis, the Interior Board of Land Appeals affirmed the Wyoming State BLM decision on August 31, 1981.

Petro-Lewis on April 18, 1979, acquired the East Warm Springs Unit Area oil field including the East End Claims 3 and 4. At the time Petro-Lewis acquired the field, the entire field was producing approximately 5 barrels of oil per day. Oil production from the claims was less than one barrel per day. After undertaking engineering and geological studies, Petro-Lewis determined that by applying advanced secondary recovery techniques the East Warm Springs field might be made more productive.

Accordingly, approximately $2,500,000 was invested to drill 19 new wells and to install and construct water injection and production support equipment throughout the East Warm Springs Unit area. Of this amount, approximately $830,000 was directly attributable to East End Claims. Production from the East Warm Springs Unit Area has increased from 5 to 85 barrels of oil per day. If the claims are abandoned, $830,000 investment directly attributable to the East End Claims 3 and 4 would be lost and the oil in the remainder of the East Warm Springs Unit area would become more expensive to produce. The loss of East End Claims 3 and 4 could adversely affect the economics for the secondary recovery project for the entire East Warm Springs field.

Petro-Lewis and its predecessor in interest, Ashland Exploration, Inc., were unaware of the special filing requirements imposed by the FLPMA on holders of oil placer maining claims. Oil placer mining claims are exceedingly rare, as most oil production on federal land is controlled by the Mineral Lands Leasing Act of 1920 and Petro-Lewis had no prior experience with such claims. Only a few oil properties known as "oil placer mining claims" remain.

The Committee is of the opinion that the leasing of these lands by non-competitive lease is justified for the following reasons. First, the failure to meet the filing deadline was inadvertent. Oil placer claims are rare and Petro-Lewis was not aware of the special filing requirements under FLPMA applicable to such claims. Second, the investment to develop East End Claims 3 and 4 using secondary recovery methods, approximately $850,000, will be lost. This might adversely impact the economics of the entire East Warm Springs project causing its abandonment. Third, the amount of oil recovered from the East Warm Springs field will be substantially reduced if East End Claims 3 and 4 are abandoned. Fourth, special relief will not be inconsistent with the purposes of the FLPMA because East End Claims 3 and 4, having been producing for some 64 years, clearly are not stale and not the type of claim which Congress intended to invalidate. Fifth, production from the secondary recovery operation to date has

been lower than expected, with the result that it is questionable whether a forfeiture of claims followed by a federal re-leasing of that portion of the field covered by the claims would produce the same level of revenue for the U.S. as the leasing arrangement in the bill. Sixth, after Petro-Lewis made its investment, a question was raised as to whether prior owners satisfied all necessary obligations for valid claims, and the available evidence is inconclusive. It would be inequitable in inefficient to allow the inadvertent non-compliance with the recordation and filing requirement of the FLPMA here to disrupt a substantive investment in developing a much needed natural resource.

The Committee would like to point out that the situation involved in S. 1660 is very unusual. There are probably very few oil placer claims still extant, and only a few of them would have been the subject of substantial expenditures in recent years. By granting relief to the owners of these two oil placer claims, the Committee is not indicating that it would be generally disposed to grant relief to mining claimants who failed to meet the claim recordation requirements of FLPMA.

LEGISLATIVE HISTORY

S. 1660 was introduced by Senator Wallop on September 24, 1981. A hearing was held by the Subcommittee on Energy and Mineral Resources of the Committee on Energy and Natural Resources to consider S. 1660 on November 24, 1981. The bill was considered in open business session on April 20 and 21, 1982.

COMMITTEE RECOMMENDATION AND TABULATION OF VOTES

The Senate Committee on Energy and Natural Resources, in open business session on April 21, 1982, by unanimous vote of a quorum present recommended that the Senate pass S. 1660 as amended. The rollcall vote on reporting the measure was 18 yeas, 0 nays as follows:

YEAS—18	NAYS—0
Senator McClure	
Senator Hatfield	
Senator Domenici	
Senator Wallop	
Senator Warner	
Senator Humphrey	
Senator Murkowski	
Senator Nickles	
Senator East	
Senator Heinz	
Senator Jackson	
Senator Johnston [1]	
Senator Bumpers	
Senator Ford	
Senator Matsunaga [1]	
Senator Melcher	
Senator Tsongas [1]	
Senator Bradley	

[1] Indicates vote by proxy.

SECTION-BY-SECTION ANALYSIS

Section (a) mandates the Secretary of the Interior to issue a non-competitive oil and gas lease to Partnership Properties Co., of receipt of an application by Petro-Lewis Corporation on behalf of Partnership Properties Co.

Section (b) sets October 22, 1979 as the effective date of the lease and provides that the lease will be subject to a royalty of not less than 12½ percent of all oil production removed or sold from the lease subsequent to October 22, 1979.

Section (c) states a 12½ percent royalty on the amount or value of gas and liquid products produced from the lease.

Section (d) states that if an application for a non-competitve lease is not filed within 30 days after the date of enactment of this act, then no application for such a lease will be accepted nor will any lease be issued.

Section (e) makes the provisions of the Mineral Lands Leasing Act of 1920 applicable, and the lessee is hereafter to be treated as any other lessee under the Act, with all the benefits and responsibilities of that status.

Section (f) removes any cloud on the rights of Petro-Lewis in the oil placer claims of concerns validating the claims until October 22, 1979, the effective date of the lease. Section sets forth the leasehold rights.

Section (g) mandates the Secretary of the Interior to issue a lease within 60 days from date of application.

COST AND BUDGETARY CONSIDERATIONS

Section 11(a) of Rule XXVI of the Standing Rules of the Senate applies only to bills of a public nature. S. 1660 is a private relief bill. The Committee feels that no significant cost will result from its enactment.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of Rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying-out S. 1660. The bill is not a regulatory measure in the sense of imposing Government standards or significant economic responsibilities on private individuals or business. No personal information will be collected in administering the provisions of the bill. Therefore, it would not impact on personal privacy. Little, if any, additional paperwork would result from the enactment of S. 1660.

EXECUTIVE COMMUNICATION

The pertinent legislative reports and communications received by the Committee from the Department of the Interior setting forth Executive agency recommendations relating to S. 1660 are set forth below:

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U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 30, 1981.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Your Committee has requested the views of this Department on S. 1660, a bill "To validate certain oil placer mining claims in Hot Springs County, Wyoming."

S. 1660 would require the Secretary of the Interior to accept a certificate of location or notice of location covering two oil placer mining claims on certain lands in Hot Springs County, Wyoming, notwithstanding the provisions of section 314(c) of the Federal Land Policy and Management Act of 1976 (FLPMA), if filed by the Petro-Lewis Corporation within 60 days of enactment of S. 1660.

We would have no objection to granting some relief to Petro-Lewis Corporation if Congress finds relief is merited. However, we do not believe that S. 1660 is the appropriate form of relief or that it will accomplish what Petro-Lewis is seeking. We, therefore, suggest that the bill be amended along the lines discussed below.

These are the facts that generated introduction of the bill:

East End Nos 3 and 4 are unpatented oil placer mining claims originally located in 1917, before passage of the Mineral Leasing Act of 1920. They were exempted from the Mineral Leasing Act by section 37 of that Act (43 U.S.C. 193) and therefore have been treated as mining claims since their original location.

Section 314 of FLPMA requires owners of unpatented mining claims to file a certificate or notice of location in the appropriate Bureau of Land Management office on or before October 22, 1979, if the claims were located before October 21, 1976. The mining claims in question fall within that category. However, Petro-Lewis and its predecessors in interest failed to file the required notice or certificate. The Wyoming State office of the Bureau of Land Management, in a decision dated March 18, 1981, held the claims abandoned. On appeal by Petro-Lewis, the Interior Board of Land Appeals affirmed that decision on August 31, 1981.

The effect of S. 1660 would be to waive the filing deadline and permit the Bureau to accept the necessary certificate or notice for recordation as timely if Petro-Lewis files within 60 days of enactment. Although the bill does not specifically say so, we assume Petro-Lewis would also be required to meet other reporting requirements of section 314 of FLPMA.

A problem with S. 1660 is that even if the default in filing is overcome by enactment of S. 1660, the claims might still be under a cloud. The bill does not address the larger question of the validity of the claims.

In any event, we believe a more equitable approach would be to develop a bill which would permit Petro-Lewis to have the right to mine but also would protect the public interest in the minerals.

We recommend that S. 1660 be amended to direct the Secretary of the Interior, on application by Petro-Lewis, to issue a non-competitive

lease to Petro-Lewis with a requirement for payment of a 12½ percent royalty. The bill should also provide that Petro-Lewis not be considered in trespass for any actions it has taken on the two tracts in question prior to the enactment of this legislation and the issuance of the lease.

We will be happy to work with committee staff on appropriate language of amendment or on drafting a clean bill.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

GARREY E. CARRUTHERS,
Assistant Secretary.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of Rule XXVI of Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill, S. 1660, as reported.

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Calendar No. 602

97TH CONGRESS
2d Session

SENATE

REPORT
No. 97-420

MODIFICATION OF BUFFALO BILL DAM, WYOMING

MAY 26 (legislative day, MAY 25), 1982.—Ordered to be printed

Mr. WALLOP, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany S. 1409]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 1409) to authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes, having considered the same, reports favorably thereon with amendments to the text and recommends that the bill as amended do pass.

The amendments are as follows:

1. Page 2, line 1, strike the word "River".
2. Page 2, line 16, strike the word "River".
3. Page 3, line 10, strike the word "River".
4. Page 3, line 12, strike the words "irrigation supplies" and insert in lieu thereof "and irrigation water supplies exclusive of State participation pursuant to section 1".
5. Page 4, line 5, strike the word "River".
6. Page 4, line 17, strike subsection (a) in its entirety and substitute in lieu thereof:

> (a) There is hereby authorized to be appropriated beginning October 1, 1982, for construction of the Buffalo Bill Dam and Reservoir modifications the sum of $106,700,000 (October 1982 price levels) plus or minus such amounts, if any, as may be required by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein and, in addition thereto, such sums as may be required for operation, maintenance, and replacement of the works of said modifications; provided that, such sums authorized to be appropriated for construction, operation, maintenance, and replace-

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ment shall be reduced by the amounts contributed to the project under the provisions of Section 7 of this Act.

7. Page 4, line 24, following the word "appropriated" insert the phrase "beginning October 1, 1982,".

8. Page 5, line 5, strike sections 7 and 8 in their entirety and insert in lieu thereof:

SEC. . The Secretary of the Interior is authorized to enter into contracts with the State of Wyoming, upon such terms and conditions as he deems necessary, for the division of additional water impounded by the modifications, the sharing of revenues from the modifications, and the sharing of the costs of construction, operation, maintenance, and replacement of the Buffalo Bill Dam and Reservoir modifications.

PURPOSE

As introduced, S. 1409 would authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam, a feature of the Shoshone Project in Yyoming, and facilitate the development of the previously authorized Polecat Bench area irrigation project of the Shoshone Extensions Unit, also in Wyoming.

BACKGROUND AND NEED

What is now known as the Shoshone Project was initiated as a private venture by William S. (Buffalo Bill) Cody in 1899. In 1903, the Wyoming State Board of Land Commissioners requested the then Reclamation Service to complete the project. The project was subsequently authorized by the Congress in 1904. Major project features include Buffalo Bill Dam and Reservoir (active storage 380,300 acre feet), Shoshone Powerplant (not operated), Heart Mountain Powerplant (capacity 5 megawatts), and related irrigation facilities to serve 90,000 acres. Major crops include barley, alfalfa and other forage, beans, and sugar beets. The project is very important to the stability of the livestock industry and the general economic and social well-being of northwestern Wyoming.

A feasibility study to be undertaken by the Secretary of the Interior of the potential for enlarging the Buffalo Bill Dam and related power facilities was authorized by the Congress in 1969 (P.L. 91–81). The Regional Director's report of the proposed project was completed in 1974 and has since been revised and submitted to the Office of Management and Budget for review.

The report indicates that enlargement of Buffalo Bill Dam and the construction of a new powerplant are justified and principle modifications would be as follows: raising the height of Buffalo Bill Dam by 25 feet so as to provide increased storage water for power production, irrigation, municipal and industrial water supplies, water quality, and fish and wildlife benefits; construction of a new powerplant providing for a net increase in generating capacity of 15 megawatts at the Shoshone Powerplant site and additional energy production at the downstream Heart Mountain powerplant; construction of dikes and impoundments and the construction of a visitor center.

The State of Wyoming has expressed strong support for the provi-

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sion of additional firm water supplies in the Shoshone River Basin for water quality, irrigation, municipal and industrial water supplies, and for the optimization of hydroelectric development. Of particular interest is the intent on the part of the State to contribute toward the costs of construction of the proposed modifications to Buffalo Bill Dam and Reservoir.

It should be noted that authorization of the replacement of the existing Shoshone Powerplant was included in S. 306, a bill to authorize the Secretary of the Interior to construct additional hydropower facilities at existing Bureau of Reclamation projects. S. 306 passed the Senate on September 22, 1981, and is presently pending before the House Committee on Interior and Insular Affairs.

Project statistics

The following table is derived from the "Feasibility Report on Modifications of Buffalo Bill Dam, Shoshone Project-Wyoming, U.S. Department of the Interior, Bureau of Reclamation, May 1974 (Revised August 1975):

Feature	Present condition	Modified
Buffalo Bill Dam:		
Elevation (feet)	5,370	5,395
Top width (feet)	10	15
Crest length (feet)	200	259
Spillway capacity (cubic feet per second)	18,000	66,850
Reservoir:		
Active conservation storage (acre-feet)	375,900	647,200
Surface area (acres)	6,691	9,780
Powerplants:		
Shoshone:		
Generators (kilowatts)	(1)	1@ 20,000
Generation (annual) (megawatt-hours)		69,820
Heart Mountain:		
Generators (kilowatts)	1@ 5,000	1@ 5,000
Generation (annual) (megawatt-hours)	45,879	46,593

[1] Inoperable.

Based on October 1982 prices, the total cost of construction of the modifications is estimated to be $106,700,000. Annual equivalent costs are estimated to be $9,318,000 and benefits are $9,852,000 with a net annual benefit of $534,000 or a benefit to cost ratio of about 1.1/1. The cost sharing arrangements provided for in the bill would alter the repayment analysis shown in the feasibility report.

MAJOR POLICY PROVISION

As amended, S. 1409 includes the first legislative statement as to the Administration's proposed cost and revenue sharing for Bureau of Reclamation projects.

Repayment of costs and cost sharing are not new to the reclamation program. In fact, the Reclamation Act of 1902, specifically provides for repayment of certain construction costs as well as operation and maintenance costs. Under current law, "up-front" cost sharing, that is provision of funds by a non-Federal entity prior to actual construction, may be made pursuant to the Contributed Funds Act (Act of March 4, 1941, 41 Stat. 1404) and this authority has been utilized for several reclamation projects. However, pursuant to Section 7 of S. 1409 as amended, authority is provided for the Secretary of the Interior to negotiate with and enter into contracts with the State of Wyoming

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for sharing of the revenues to be derived from the proposed modifications. In addition, the new Section 7 also provides that such contracting authority also extends to the "division of additional water impounded by the modifications."

During the Committee markup of S. 1409, concern was expressed regarding amendments to the bill which would have allowed the State of Wyoming to market power generated at Buffalo Bill Dam and which also contained authority for the Secretary of the Interior to transfer title to any of the modified works or portions thereof to the State of Wyoming. It was agreed by the Committee to delete from the amendments to the bill that language pertaining to marketing of power by the State and transfer of title, with the understanding that the issues may be further addressed when the measure comes before the Senate.

LEGISLATIVE HISTORY

S. 1409 was introduced by Senators Wallop and Simpson on June 23, 1981. A field hearing on similar legislation (S. 821 in the 96th Congress) was held by the Subcommittee on May 24, 1980 in Cody, Wyoming. A Washington, D.C. hearing on S. 1409 was held by the Subcommittee on February 12, 1982, at which time the measure was supported by the Administration with amendments.

It should be noted that those provisions of S. 1409 related to the replacement of the Shoshone Powerplant were included in S. 306 which passed the Senate on September 22, 1981. S. 306 is presently pending before the House Committee on Interior and Insular Affairs.

COMMITTEE RECOMMENDATION AND TABULATION OF VOTES

The Senate Committee on Energy and Natural Resources, in open business meeting on May 13, 1982, by unanimous vote of a quorum present, recommends that the Senate pass S. 1409 as reported.

The rollcall vote on reporting the measure was 18 yeas and 0 nays as follows:

YEAS—18	NAYS—0
Mr. McClure	
Mr. Hatfield	
Mr. Weicker [1]	
Mr. Domenici [1]	
Mr. Wallop	
Mr. Warner	
Mr. Humphrey	
Mr. Murkowski	
Mr. Nickles	
Mr. East [1]	
Mr. Heinz [1]	
Mr. Jackson [1]	
Mr. Johnston	
Mr. Bumpers [1]	
Mr. Ford	
Mr. Matsunaga	
Mr. Melcher	
Mr. Bradley	

[1] Indicates voted by proxy.

COMMITTEE AMENDMENTS

1. Technical.
2. Technical.
3. Technical.
4. Clarifying and also serves to conform the language to section 7 of the bill as amended by amendment number 8.
5. Technical
6. This amendment provides for a current cost authorization and conforms the section to the cost and revenue sharing provisions contained in amendment number 8.
7. Technical.
8. This amendment, as proposed by Senator Wallop, strikes in their entirely those provisions of S. 1409 relating to the Polecat Bench Area of the Shoshone Extensions Unit. Following the testimony by the Administration and in particular, comments by residents in the project area, Senator Wallop proposed to the Committee that Sections 7 and 8 be stricken as not necessary at this time. The amendment also includes authority based upon the Administration's suggested amendment which authorizes the Secretary of the Interior to enter into contracts with the State of Wyoming for cost and revenue sharing and the division of additional water that would be impounded by the proposed modifications.

COST AND BUDGETARY CONSIDERATIONS

The following estimate of costs associated with this measure has been provided by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 18, 1982.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 1409, a bill to authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

MAY 18, 1982.

1. Bill number: S. 1409.
2. Bill title: A bill to authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes.
3. Bill status: As ordered reported by the Senate Committee on Energy and Natural Resources, May 13, 1982.

4. Bill purpose: The bill authorizes the Secretary of the Interior to construct, operate, and maintain modifications to the Buffalo Bill Dam and Reservoir; authorizes the Secretary of Energy to construct, operate, and maintain transmission interconnections to accomplish distribution of power generated by the project; and authorizes the appropriation of funds necessary to carry out these provisions. In addition, the Secretary of the Interior is authorized to enter into contracts with the State of Wyoming regarding cost sharing and the division of additional water impounded as a result of the modifications.

5. Cost estimate:

	Millions
Estimated authorization level:	
Fiscal year:	
1983	$113.4
1984	------
1985	------
1986	------
1987	------
Estimated outlays:	
Fiscal year:	
1983	.2
1984	.2
1985	.1
1986	14.5
1987	30.6

This estimate assumes $47 million in funds appropriated by the Wyoming state legislature will be used in conjunction with funds appropriated by the federal government. An additional $67.8 million in outlays are anticipated to be incurred by the federal government for construction during fiscal years 1988 and 1989.

The costs of this bill fall within budget function 300.

6. Basis of estimate: For the purpose of this estimate, it is assumed that all funds authorized will be appropriated as necessary and that construction on modifications of the Buffalo Bill Dam will begin in fiscal year 1986. Furthermore, it is assumed that the $47 million appropriated by the State of Wyoming for construction on this project will be spent at a rate of $7 million in fiscal year 1986, $13 million in fiscal year 1987, $15 million in fiscal year 1988, and $12 million in fiscal year 1989, based on information from the Bureau of Reclamation.

This estimate includes funds for advance planning and design and construction by the Departments of the Interior and Energy. The bill specifically authorizes the appropriation of $106.7 million, at October 1982 price levels, for construction of the Buffalo Bill Dam and Reservoir modifications, with adjustments authorized for cost fluctuations. The bill also provides that the authorization is to be reduced by amounts contributed to the project by the State of Wyoming. Based on information from the Bureau of Reclamation regarding the anticipated rate of construction and CBO's projected construction cost increases, it is estimated that the total construction cost for the project will be $160.4 million, assuming that construction occurs between 1986 and 1989. This amount was reduced to reflect assumed outlays from the $47 million appropriated by the State of Wyoming. No estimate

of operation, maintenance, and replacement costs, or of revenues anticipated to be generated by the sale of electrical power and water as a result of the modifications authorized by this bill was included in the estimate above, because the budget impact of these activities will not be realized during the projection period. However, it is estimated that net receipts of between $2 and $3 million will be realized annually by the federal government once construction of the project is complete.

7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: Debbie Goldberg (226–2860).
10. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of Rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred on the passage of S. 1409.

It is the Committee's expressed opinion that the bill is not a regulatory measure in the sense of imposing Government established standards or significant responsibilities on private individuals or businesses and that little, if any, additional paperwork would result from enactment of S. 1409 other than that which would normally be associated with such a Federal construction and operation program.

EXECUTIVE COMMUNICATIONS

Although S. 1409 was referred to the Department of the Interior and the Office of Management and Budget on October 22, 1981, for comment, no legislative reports were received. However, following is the statement submitted by the Department of the Interior at the Subcommittee hearing on February 12, 1982. When the pertinent legislative reports are received, the Chairman will request them to be printed in the Congressional Record for the advice of the Senate.

Statement of Robert N. Broadbeat, Commissioner, Bureau of Reclamation, Department of the Interior

My Chairman, my name is Robert N. Broadbent. I am Commissioner of the Bureau of Reclamation. I am pleased to appear today to testify on S. 1409, legislation to authorize modifications to the existing Buffalo Bill Dam and Reservoir of the Shoshone Project in Wyoming.

A feasibility study has been completed on the modifications needed at Buffalo Bill Dam and Reservoir. The feasibility report has been reviewed by the Missouri River Basin States and interested Federal agencies. Most of the States and agencies supported the modifications and no significant adverse comments were received. Of particular note is the recent cost sharing support proposed by the State of Wyoming where the project is located. In a recent letter to Secretary Watt, Governor Herschler indicated that Wyoming ". . . may be in a position to proceed with financing a substantial portion of the costs associated

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with enlarging Buffalo Bill." Although the details of the cost sharing have not yet been worked out among Reclamation, the Governor's office, and the State Legislature, indications are that the State may be able to upfront finance a substantial part of the cost. We are excited about this creative and cooperative method of financing. One of the substantial goals of this Administration is to work with the States in financing water projects. We believe that this is part of the new Federalism and is consistent with the President's plan for economic recovery.

With this kind of positive support from the State, Secretary Watt approved the feasibility report recommending authorization of the modifications to Buffalo Bill Dam and Reservoir. The report is still in the process of being reviewed within the Administration. Because of this it would be premature for the Department of the Interior to recommend authorization of the modifications to Buffalo Bill Dam and Reservoir at this time. However, we expect that this review will be completed expeditiously and we hope to be in a position to report its final approval to the Committee before this bill is marked up.

The following is a summary of the information in the Secretary's feasibility report.

Buffalo Bill Dam is situated in a narrow gorge on the Shoshone River about 5 miles west of Cody, Wyoming. The existing dam was completed in 1910 to provide irrigation water for the 88,000 acres of land in the Shoshone Project. The 5,600 kilowatt Shoshone Powerplant and 5,000 kilowatt Heart Mountain Powerplant were added in 1933 and 1948, respectively. Recreational facilities, both private and public, have been established to accommodate recreational needs which were unforeseen in early project years. The now obsolete Shoshone Powerplant has been shut down.

Based on October 1982 prices, the total construction cost of the modifications is estimated to be $106,700,000. When the annual equivalent cost of $9,418,000 including interest during construction and operation, maintenance, and replacement is compared to the annual direct benefits of $9,852,000 over a 100-year period at 7⅜ percent interest, the benefits exceed the cost by $534,000. This amounts to a benefit cost ratio of about 1.06 to 1.

The cost sharing arrangements now being discussed with the State will alter the repayment analysis shown in the feasibility report. Absent the cost sharing, the report shows: (1) the costs allocated to power would be repaid in about 6 years without increasing present Pick-Sloan Missouri Basin Program power rates; (2) the costs allocated to Municipal and Industrial Water associated with the 74,000 acre-feet increased yield would be repaid within 50 years through a contract negotiated with the State under provisions of the Reclamation Project Act of 1939 or the Water Supply Act of 1958; and (3) one-fourth of the separable fish and wildlife enhancement costs would be repaid under a contract to be negotiated in accordance with the Federal Water Project Recreation Act of 1965, as amended. Non-reimbursable costs associated with Highway Improvement, Recreation, Fish and Wildlife, and Environmental Quality would amount to about one-third of the cost of the project.

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However, we recommend the following language changes in S. 1409 or other authorizing legislation. We recommend the following language on interest rate be inserted in lieu of Section 5:

> The interest rate used pursuant to this Act shall be determined by the Secretary of the Treasury, taking into consideration the average market yields on outstanding marketable obligations of the United States with approximately 5 years remaining to maturity during the month preceding the date of enactment of this Act. The interest rate so determined shall be redetermined every 5 years to reflect the average market yield at that time on outstanding marketable obligations with approximately 5 years remaining to maturity.

Section 6(a) should be amended to read as follows:

> SEC. 6(a) There is hereby authorized to be appropriated for construction of the Buffalo Bill Dam and Reservoir modifications the sum of $106,700,000 (October 1982 price levels) plus or minus such amounts, if any, as may be required by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein and, in addition thereto, such sums as may be required for operation, maintenance and replacement of the works of said modifications. Providing that such sums authorized to be appropriated for construction or operation, maintenance, and replacement shall be reduced by the amounts contributed to the project under the provisions of Section 7 of this Act.

Also, the following wording should be added to S. 1409 to provide for the cost and revenue sharing by the State of Wyoming as a new Section 7 and the present Sections 7 and 8 should be renumbered.

> SEC. 7. The Secretary of the Interior is authorized to transfer title to any of the modified works, or portions thereof herein authorized, to the State of Wyoming and to enter into contracts with the State of Woyming, upon such terms and conditions as he deems necessary, for the transfer of such title, the division of additional water impounded by the modifications, the sharing of revenues from the modifications, and the sharing of the costs of construction, operation, maintenance, and replacement of the modification of Buffalo Bill Dam and Reservoir.
>
> Sections 7 (a), (b), (c), (d), (e) and (f). Renumber to Sections 8 (a), (b), (c), (d), (e) and (f).
>
> Section 8. Renumber to Section 9.

Mr. Chairman, that concludes my statement on S. 1409. I would be happy to answer any questions that you or the other subcommittee members might have.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of Rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are to be made by the bill, S. 1409, as reported.

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Calendar No. 605

97TH CONGRESS
2d Session

SENATE

REPORT
No. 97-423

VOYAGEURS NATIONAL PARK BOUNDARY ADJUSTMENTS

MAY 26 (legislative day, MAY 25), 1982.—Ordered to be printed

Mr. MCCLURE, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany S. 625]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 625) to revise the boundary of Voyageurs National Park in the State of Minnesota, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

The amendments are as follows:

1. On page 2, after the period in line 20, insert the following:

   All of the aforementioned boundary changes shall be accomplished such that the boundary of the park shall conform to that generally depicted on the drawing entitled, "Boundary, Voyageurs National Park, U.S. Department of the Interior, National Park Service," numbered 172-80, 008-MWR, and dated November 1981, which shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

2. On page 3, revise lines 8 through 10 to read as follows:

   to manage waters of and State lands riparian to Black Bay to preserve the natural resources of the area so as to complement to the fullest extent possible the purposes for which the park was established.

3. On page 3, line 16, strike "(E)." and insert:

   (E): *Provided*, That such conveyance shall be made subject to the express provision that all such right, title, and interest conveyed shall revert to the United States for administration

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as part of the park at such time as the property conveyed ceases to be managed in accordance with clauses (ii) and (iii) of paragraph (2).

4. On page 3, line 22, after the word "appropriated" add the following: "after October 1, 1982,".

5. On page 3, line 23, strike out "$10,995,000." and insert in lieu thereof "$12,300,000.".

6. On page 3, insert the following after line 23, and on line 24 change "(3)" to "SEC. 2.": (3) In subsection 202(b), strike out 'ten years' and insert in lieu thereof 'twenty years'.

PURPOSE OF THE MEASURE

S. 625, as reported, would authorize the Secretary of the Interior to convey certain lands in Voyageurs National Park in Minnesota, to the State of Minnesota and to add certain other lands presently owned by the State of Minnesota and others to Voyageurs National Park. The bill, as reported, would also authorize an additional $12,300,000 for acquisition of lands in the park and direct the Secretary to study road access to the park.

BACKGROUND AND NEED

A longstanding dispute between sportsmen and the National Park Service involves a 1,000 acre portion of the Black Bay area of Rainy Lake in Voyageurs National Park in Minnesota. Hunting is not permitted in national parks, and since the establishment of Voyageurs National Park in 1975, the National Park Service has prohibited duck hunting there. The State of Minnesota and local interests have contended the Black Bay area was not intended to be included in the park. Substantial controversy, including litigation, has occurred over the hunting issue.

In June 1979, the National Park Service and the State began negotiations to effect a possible land exchange to remove Black Bay from the park and take in state lands outside the park boundary needed for park access and development. Senator Durenberger and Congressmen Oberstar and Vento introduced legislation in the 96th Congress which would effect the agreed exchange.

Deletion of the Neil Point Area is supported by the master plan of the park. The administrative facilities once planned for Neil Point are scheduled to be placed in International Falls, Minnesota. The Neil Point area has undergone moderate development with the construction of residential homes. A 33 acre tract in the Neil Point area would be retained by the NPS for use as a visitor contact station and Little America Island would be retained as part of a historical district.

Facilities formerly planned for Neil Point would be located nearby at the Black Bay Narrows. The addition of 180 acres at Black Bay Narrows to the park would allow the NPS to develop a primary access site with boat launching facilities, ranger station, visitor center and central maintenance facility.

As a further condition for the Black Bay conveyance, the State of Minnesota would convey interests in certain lands to the U.S. Receipt of these lands would allow the NPS to provide an access corridor to

the southern and central portions of the Park. The Kabetogama Forestry station lands would give the NPS an administrative area on the western shore of the lake. The park has limited road access.

Public Law 91–661 enacted on January 8, 1971, authorized the Secretary of the Interior to establish the Voyaguers National Park when (1) he deemed sufficient interest in the lands and waters within the park have been acquired for administration in accordance with the Act, but (2) not before the lands owned by the State of Minnesota and its political subdivisions have been donated to the U.S. for the park. The Park was officially established by the Secretary on April 8, 1975.

Legislative History

S. 625 was introduced by Senator Durenberger on March 5, 1981. A hearing before the Public Lands and Reserved Water Subcommittee was held on October 29, 1981. At a business session on May 13, 1982, S. 625 was ordered favorably reported with amendments. The Administration supports enactment of S. 625 with amendments.

Committee Recommendation and Tabulation of Votes

The Senate Committee on Energy and Natural Resources, in open business session on May 13, 1982, by a unanimous vote of a quorum present recommended that the Senate pass S. 625 if amended, as described herein.

The rollcall vote on reporting the measure was 18 yeas and 0 nays as follows:

YEAS 18	NAYS 0
McClure	
Hatfield	
Weicker*	
Domenici*	
Wallop	
Warner	
Humphrey	
Murkowski*	
Nickles	
East*	
Heinz*	
Jackson*	
Johnston	
Bumpers*	
Ford	
Matsunaga	
Melcher	
Bradley	

*Indicates voted by proxy.

Committee Amendments

As introduced, S. 625 did not conform the proposed boundary changes authorized in the bill to a map. Amendment No. 1, directs that the boundary changes authorized in the bill shall conform to a new

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boundary as set forth on a map incorporated by reference in the bill. The new map shows the park boundary as it will be when the five specific changes authorized in the bill are effected.

Amendment No. 2, makes three changes in the original bill. First, it widens the focus of the State plan to include the waters as well as the State-owned portions of the shoreline at Black Bay. Second, it replaces the term "natural character" with the term "natural resources" which is more specific. Third, it links the management plan for Black Bay to the purposes of the park as stated in the 1971 authorizing statute, rather than to the less precise term "management of the park".

Amendment No. 3, provides for reversion of Black Bay from the State of Minnesota to the park if the property is no longer managed as a wildlife management area and in accordance with a plan to preserve the area to compliment the purposes of the park.

Amendment No. 4 is a technical amendment.

Amendment No. 5 raises the additional authorization for land aquisition from $10,995,000 to $12,300,000. The new figure is based upon an updated estimate provided by the National Park Service in October 1981. All of the authorized acquisition funds for Voyageurs National Park ($26,014,000) have been expended. Approximately 5,400 acres of land to be acquired remain in the park.

Amendment No. 6 extends the maximum term to be granted former lessees of state land whose land was included in the park from 10 years after the date of establishment of the park to 20 years after such date. The amendment will bring the retained rights of former state lessees closer to the rights retained by persons who sold land to the Federal Government, which is 25 years. Both provisions apply only to improved properties.

The amendment further perfects the designation of the matter in paragraph (3) of S. 625 as introduced by designating the matter in that paragraph as a free-standing new section (2) rather than another amendment of the 1971 Act.

Cost and Budgetary Considerations

The following estimate of costs of this measure has been provided by the Congressional Budget Office.

U.S. Congress,
Congressional Budget Office,
Washington, D.C., May 18, 1982.

Hon. James A. McClure,
Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 625, a bill to revise the boundary of Voyageurs National Park in the State of Minnesota, and for other purposes.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

Alice M. Rivlin, *Director.*

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CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number S. 625.

2. Bill title: A bill to revise the boundary of Voyageurs National Park in the State of Minnesota, and for other purposes.

3. Bill status: As order reported by the Senate Committee on Energy and Natural Resources, May 13, 1982.

4. Bill purpose: This bill authorizes the Secretary of the Interior to revise the boundary of the Voyageurs National Park once certain conditions have been met by the State of Minnesota, and to convey to the State of Minnesota certain lands affected by the boundary revition. The bill also extends the term of rights of former lessees of state land and directs the Secretary of the Interior to conduct a study and make recommendations to the Congress regarding access to the park. In addition, the bill authorizes the appropriation of additional funds for the acquisition of lands to be included in the park.

To date no funds have been specifically appropriated in fiscal year 1982 for land acquisition at the Voyageurs National Park, but $400,000 has been spent from the discretionary line item of the National Park Service appropriation under the authority of Public Law 95–42. (That Act provided additional authorizations by allowing annual appropriations for laws enacted prior to the convening of the 95th Congress to exceed statutory authorization ceilings in an amount not to exceed the greater of 10 percent of the ceiling or $1 million.) In President Reagan's fiscal year 1983 budget request $3.8 million was included for land acquisition authorization by this bill.

5. Cost estimate:

	Millions
Authorization level:	
Fiscal year:	
1983	$12.3
1984	----
1985	----
1986	----
1987	----
Estimated outlays:	
Fiscal year:	
1983	3.8
1984	2.8
1985	1.9
1986	1.9
1987	1.9

In addition to the authorization shown above for acquisition costs, it is estimated that the study authorized by the bill will cost approximately $100,000 in fiscal year 1983.

The costs of this bill fall within budget function 300.

6. Basis of estimate: For the purpose of this estimate it is assumed that all funds authorized will be appropriated as necessary. Outlays for land acquisition are estimated based on historical patterns and information from the National Park Service.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Debbie Goldberg.

10. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

Regulatory Impact Evaluation

In compliance with paragraph 11(b) of the Rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 625.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses. S. 625 authorizes the Secretary of the Interior to convey certain lands in Voyageurs National Park to the State of Minnesota, and adds certain other lands to the park. S. 625 also increases the amount of authorization for land acquisition and authorizes road access study.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little if any additional paperwork would result from the enactment of S. 625.

Executive Communications

The pertinent legislative reports and communications received by the Committee from the Department of the Interior setting forth Executive Agency recommendations relating to S. 625 are set forth below:

U.S. Department of the Interior,
Office of the Secretary,
Washington, D.C., October 30, 1981.

Hon. James A. McClure,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: This responds to your request for the views of this Department on S. 625, a bill "To revise the boundary of Voyageurs National Park in the State of Minnesota, and for other purposes", which was referred to your Committee on January 13, 1981.

This Department would support enactment of S. 625 if it is amended as suggested below.

S. 625 would authorize (1) the deletion of approximately 782 acres from the 820-acre Neil Point unit of Voyageurs National Park; only two tracts, a 32.79 acre, Federally-owned tract intended as the future site of a visitor contact station, and the 4.65-acre Little American Island, containing an historic gold mine listed on the National Register, would be retained; (2) the addition of approximately 180 acres of lands and waters to the Black Bay Narrows site, in order to meet development needs in the northwestern portion of the Park; (3) the addition of 18.45 acres of State land at the Kabetogama Forestry Station, and some 120 acres of State-owned land at Section 1, T 68 N, R 20 W, 4th P.M., lying north of the Ash River Trail, in exchange for the deletion of an approximately 1,000 acre area from the Park at Black Bay, with the further condition that the State of Minnesota agree to administer the deleted portion of Black Bay as a wildlife management area; (4) the authorization of an appropriation of an additional $10,995,000 for the purchase of Park land; and (5) a report

to Congress, within one year of enactment, making recommendations for improvements based on the Secretary's study of existing road access to Voyageurs National Park.

The deletion of a major portion of the Neil Point unit provided for in S. 625 is consistent with the recently completed Master Plan for Voyageurs National Park. Since boating is a prime aspect of the Park's use, construction of landing and docking facilities was originally planned for Neil Point. However, a University of Minnesota study has concluded that the dredging entailed in the construction of these facilities would be particularly destructive in the Neil Point area. Moreover, the area has undergone further development, with a number of residential homes constructed on lands yet to be acquired by the National Park Service. Estimates for the purchase of these lands now exceed $5 million. In S. 625, most of the cost would be eliminated through deletion of a major portion of the Neil Point unit.

Administrative facilities originally planned for Neil Point would be located at the nearby Black Bay Narrows site after enactment of S. 625. To make the Black Bay Narrows site usable, S. 625 would add approximately 180 acres of lands and waters (26.47 acres of land) to the 325 acres at Black Bay Narrows now in the Park. This area would serve as the primary visitor access site and would include boat launching facilities, a ranger station, a visitor center, and a central maintenance facility. The cost of the 26.47 acres is estimated at $600,000.

S. 625 would also authorize the deletion of approximately 1,000 acres of land at Black Bay within the present boundary of Voyageurs National Park on condition that the State of Minnesota designate, and subsequently administer, the deleted portion as a State wildlife management area. This provision of S. 625 would resolve a controversy over duck hunting in the area which has existed since shortly after the Park's authorization. The Black Bay area was hunted by as few as 20–25 hunters a year prior to the Park's creation, but the issue has taken on an emotional aspect harmful to the local and State cooperation needed for the effective administration of the Park. It is understood that while waterfowling within the management area would be permitted in season, the taking of wildlife would be controlled by the State of Minnesota.

S. 625 further provides that with respect to the entire Black Bay area, including that portion now within the wildlife management area, the State shall develop a plan to manage lands riparian to Black Bay to the fullest extent possible in a manner that complements Voyageurs National Park. We recommend that this provision be amended to read as it appears on page 3 of H.R. 846, as introduced, by deleting all of lines 8 through 10, and by inserting in lieu thereof, the phrase "to manage waters of and State lands riparian to Black Bay to preserve the natural resources of the area so as to complement to the fullest extent possible the purposes for which the Park was authorized." We believe this proposed amendment would correct three deficiencies in the present language in the bill: first, it widens the focus of the State plan to include the waters as well as the shoreline of Black Bay; second, it inserts the more accurate and specific words "natural resources" for "natural character", which are, in our view, too unspecific; and

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three, it ties Black Bay management to Park purposes, rather than Park management, which we believe will provide the State with more substantive criteria for developing its management plan.

Under S. 625, as a further condition for the Black Bay exchange, the State of Minnesota would agree to convey to the United States title to, or sufficient interest for Park purposes in, 18.45 acres at the Kabetogama Forestry Station, and approximately 120 acres within Section 1, T 68 N, R 20 W, 4th P.M., lying north of the Ash River Trail. Addition of the 18.45 acres at the Kabetogama Forestry Station would provide the National Park Service with a much needed presence for protection and maintenance along the western shore of Lake Kabetogama. We note that existing leases on lands within that area for the U.S. Forest Service Experiment Station and the St. Louis County Sheriff's Department would be honored.

The addition of the approximately 120 acres of State land north of the Ash River Trail would provide access to the Sullivan Bay/Kabetogama Narrows area, which is proposed as the primary development and access area for the southern and central portions of the Park. The final route of the access corridor would be determined on the basis of engineering studies, but the 120 acres would allow a 400-foot buffer strip on each side of the road corridor to ensure adequate screening from the clear-cutting which is occurring on adjacent State-owned properties. We understand the State of Minnesota has agreed to make these lands available to the National Park Service.

Taking into account the net reduction in private lands to be protected as a result of the deletion of Neil Point, about 7,700 acres of private lands (not including lands presently under litigation) remain to be protected. All of the authorized acquisition funds for Voyageurs National Park, totalling $26,014,000, have been appropriated. S. 625 would authorize an additional $10,995,000 for the protection of these lands. That amount is consistent with National Park Service estimates which were prepared over 18 months ago, and is, therefore, dated. We now estimate that $12,300,000 will be required to protect the remaining lands at Voyageurs National Park. We recommend that S. 625 be amended to reflect this latest cost estimate.

We recommend, however, that section 3, authorizing a road access study for Voyageurs National Park, be deleted. All agencies of the Federal Government are engaged in an effort to hold down costs. As much as $100,000 could be required under this amendment to conduct the road study. Implementation of the study's findings could require far greater expenditures, which for the foreseeable future would have to be deferred. By the time such monies became available, the circumstances upon which the access study were based may have radically altered, resulting in a waste of the time and funding invested in it.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

DONALD PAUL HODEL,
Acting Secretary.

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Changes in Existing Law

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill S. 625, as ordered reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

The Act of January 8, 1971

(Public Law 91–661; 84 Stat. 1970)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the purpose of this Act is to preserve, for the inspiration and enjoyment of present and future generations, the outstanding scenery, geological conditions, and waterway system which constituted a part of the historic route of the Voyageurs who contributed significantly to the opening of the Northwestern United States.

ESTABLISHMENT

Sec. 101. In furtherance of the purpose of this Act, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to establish the Voyageurs National Park (hereinafter referred to as the "park") in the State of Minnesota, by publication of notice to that effect in the Federal Register at such time as the Secretary deems sufficient interests in lands or waters have been acquired for administration in accordance with the purposes of this Act: *Provided*, That the Secretary shall not establish the park until the lands owned by the State of Minnesota and any of its political subdivisions within the boundaries shall have been donated to the Secretary for the purposes of the park: *Provided further*, That the Secretary shall not acquire other lands by purchase for the park prior to such donation unless he finds that acquisition is necessary to prevent irreparable changes in their uses or character of such a nature as to make them unsuitable for park purposes and notifies the Committees on Interior and Insular Affairs of both the Senate and the House of Representatives of such findings at least thirty days prior to such acquisition.

Sec. 102. (*a*) The park shall include the lands and waters within the boundaries as generally depicted on the drawing entitled "A Proposed Voyageurs National Park, Minnesota," numbered LNPMW–VOYA-1001, dated February 1969, which shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior. Within one year after acquisition of the lands owned by the State of Minnesota and its political subdivisions within the boundaries of the park the Secretary shall affix to such drawing an exact legal description of said boundaries. The Secretary may revise the boundaries of the park from time to time by publishing in the Federal Register a revised drawing or other boundary description, but such revisions shall not increase the land acreage within the park by more than one thousand acres.

(b)(1) In addition to such revisions as the Secretary may make in the boundaries of the park from time to time pursuant to other provisions of law, the Secretary is specifically authorized in the manner provided in subsection (a)—

(A) to delete approximately 782 acres in the Neil Point area of the park;

(B) to add approximately 180 acres in the Black Bay Narrows area of the park;

(C) to add approximately 18.45 acres owned by the State of Minnesota at the Kabetogama Forestry Station;

(D) to add approximately 120 acres owned by the State of Minnesota, being a strip of land through that portion of section 1, township 68 north, range 20 west, fourth principal meridian, which is parallel to and 400 feet on both sides of the unimproved road extending northward from the Ash River Trail as such road crosses said section; and

(E) to delete approximately 1,000 acres at Black Bay. All of the aforementioned boundary changes shall be accomplished such that the boundary of the park shall conform to that generally depicted on the drawing entitled, "Boundary, Voyageurs National Park, U.S. Department of the Interior, National Park Service," numbered 172–80,008–MWR, and dated November 1981, which shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

(2) The boundary revisions specified in subparagraphs (C), (D), and (E) of paragraph (1) shall, notwithstanding anything tothe *and (E) of paragraph (1) shall, notwithstanding to the contrary contained in this Act or any other law, become effective only upon (i) the tender of a conveyance to the United States, by such instrument and in such manner as are satisfactory to the Secretary, including but not limited to lease or easement, by the State of Minnesota of the lands or interests therein described in subparagraphs (C) and (D) for purposes of the park; (ii) the establishment by the State of Minnesota of a wildlife management area in the area authorized to be deleted from the park by subparagraph (E); and (iii) agreement of the State of Minnesota, incorporated in a plan, to manage waters of and State lands riparian to Black Bay to preserve the natural resources of the area so as to complement to the fullest extent possible the purposes for which the park was established.*

(3) At such time as the deletion referred to in subparagraph (E) of paragraph (1) becomes effective, the Secretary is further authorized to convey to the State of Minnesota all right, title, and interest of the United States in and to property acquired for the park from the State within the area deleted pursuant to subparagraph (E): Provided, *That such conveyance shall be made subject to the express provision that all such right, title, and interest conveyed shall revert to the United States for administration as part of the park at such time as the property conveyed ceases to be managed in accordance with clauses (ii) and (iii) of paragraph (2).*

* * * * * * *

SEC. 202. (b) If the State of Minnesota donates to the United States any lands within the boundaries of the park subject to an outstanding lease on which the lessee began construction of a noncommercial or recreational residential dwelling prior to January 1, 1969, the Secretary may grant to such lessee a right of use and occupancy for such period of time as the Secretary, in his discretion, shall determine: *Provided*, That no such right of use and occupancy shall be granted, extended, or continue after [ten years] *twenty years* from the date of the establishment of the park.

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APPROPRIATIONS

SEC. 401 (*a*) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, not to exceed, however, $26,014,000 for the acquisition of property, and not to exceed $19,179,000 (June 1969 prices) for development, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved herein.

(*b*) *In addition to such sums as may have been appropriated for the acquisition of property prior to the effective date of this subsection, there is authorized to be appropriated after October 1, 1982, for that purpose not to exceed $12,300,000.*

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